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February 24, 2009

Mr. Jim Dara
Braintech
1750 Tysons Boulevard
Suite 350
McLean, VA 22102

Re: Letter of Commercial Clarifications

Dear Jim,

This letter is to document and formalize our previous correspondence and discussions regarding the Exclusive Global Channel Partner Agreement for the Licensing of Braintech's Vision Guided Robotics Technologies and Software Products between Braintech Canada, Inc. and ABB Inc. dated May 5, 2006 ("Contract"). As you are aware, our companies have differing opinions as to the meaning of some of the terms in the Contract relating to rights and obligations. In an effort to settle these existing disputes and to clarify ongoing contractual obligations arising under the Contract relating to the ABB Inventory of Braintech Software Licenses, ABB and Braintech agree as follows:

1. ABB Inventory and Future Upgrades of Braintech Software

- a. For every 2D License of the Braintech Software sold to an end-user customer by ABB, Braintech will provide ABB with a Developer / Integrator License for that end-user customer. Braintech will also provide ABB with up to forty (40) developer licenses for ABB's internal use only. The forty (40) Developer / Integrator Licenses shall be renewable or remain enabled without license expiration, at no cost to ABB, so long as ABB has an inventory of Braintech Software. The Developer / Integrator Licenses will not include the Matrox Image Library License, USB License Key or calibration template. ABB will exchange its current inventory of Developer / Integrator Licenses and Keys for 3D Licenses and Keys.
- b. On March 30, 2009, Braintech will deliver, at no cost to ABB, a preliminary version of Braintech Software with the improvements necessary to complete the TrueView Lean project. These improvements will enable the TrueView GUI application, running on the robot teach pendant, to retrieve failed images from the eVF, calibrate the vision system, save calibration data to the eVF, and monitor communication status between the eVF and robot controller. The improvement actions are further defined in the Project Plan. Braintech agrees to work in good faith towards the completion of the Project Plan to deliver a stable and defect free version of Braintech Software, at no cost to ABB, to achieve a commercially deployable TrueView Lean product no later than May 1, 2009.
- c. Braintech retains the obligation to maintain a PC application interface and communication protocol between the eVF and IRC 5 robot controller. Any changes to this interface and communication protocol must be documented and shared with ABB.
- d. Any necessary recompilations of the CEM_ABB_IRC5.exe file will be provided by Braintech, at no cost to ABB, through December 31, 2009. After December 31,

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- 2009, any necessary recompilations of the CEM_ABB_IRC5.exe file will be provided by Braintech at a cost to ABB not to exceed \$5,000.00 USD.
- e. Braintech agrees to incorporate the improvements for random bin picking into the Braintech Software. Braintech agrees to work in good faith towards the completion of the Project Plan to deliver a stable and defect free version of Braintech Software to achieve a commercially deployable random bin picking application no later than August 31, 2009. Braintech agrees to deliver these improvements at no cost to ABB.
 - f. Braintech agrees to continue the development of Braintech Software to provide a commercially successful random bin picking application at no cost to ABB. Braintech agrees to upgrade, at no cost to ABB, the ABB Inventory of Braintech Software Licenses with any improvements, upgrades, and maintenance packages to the random bin picking modules.
 - g. When completed, Braintech will deliver, at no cost to ABB, a version of Braintech Software that runs on the Microsoft Windows XP Embedded or Vista operating system. Braintech and ABB will meet during the week of March 2 to discuss whether XP Embedded or Vista is preferable. Should the obsolescence of Microsoft Windows XP or Embedded cause the ABB inventory of Braintech Software to become obsolete, Braintech will deliver, at no cost to ABB, a version of Braintech software that is able to run on the Windows Vista operating system.
 - h. Braintech will continue to provide ABB with six month demonstration licenses of Braintech Software at no cost to ABB. The demonstration license will be provided to ABB without a Matrox Image Library Key, USB License Key or calibration template.
 - i. ABB is authorized to reproduce the Braintech Software CD ROM as necessary to globally sell and distribute the TrueView function package.
 - j. The ABB Inventory of Braintech Software 3D licenses will include SL3D and SR3D modules when available. Braintech will provide ABB with unfinished versions of SL3D and SR3D and ABB will provide Braintech with feedback. If ABB intends to deliver an SL3D or SR3D license to an end-user, Braintech agrees to finish a version of Braintech Software, within ninety (90) days after notification from ABB, to support this functionality.
 - k. At the time ABB pulls a Braintech Software License from the ABB inventory, ABB may choose which version of Braintech Software will be installed up to and including the newest version of Braintech Software commercially available. If ABB elects to install the newest version of Braintech Software it will be provided at no cost to ABB and will include all improvements, upgrades, software maintenance packages, user documentation manuals, training manuals, and service manuals released by Braintech at that time.

2. Warranty of ABB Inventory

- a. The Braintech Software warranty, which includes Third Party Software such as the Matrox Image Library, will begin at the time ABB delivers a license from inventory and continue for twelve (12) months thereafter. Delivery is defined as the date upon which ABB the ABB customer accepts delivery of the TrueView function package.
- b. In the event that, within the warranty period, the Braintech Software is found to be defective Braintech shall, within thirty (30) days after receipt of the claim, repair or replace the defect.

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3. Exchange of Braintech Software Licenses and Keys

- a. Braintech agrees that ABB may exchange Braintech Software Licenses, including the Developer / Integrator Licenses, at no additional cost to ABB. The licenses are interchangeable based on the established values. As an example, ABB may exchange fifty-six (56) 2D Licenses for ten (10) 3D Licenses.
- b. For the purpose of inventory exchange ratios, the price level for random bin picking licenses will be set at the price level established for the 3D license.
- c. Braintech will deliver, after pre-payment of \$80 per unit from ABB, USB License Keys in exchange for all Serial License Keys in the ABB Inventory.

4. Delivery of Third Party Software Including Matrox Image Library Licenses

- a. For Braintech Software Licenses in ABB Inventory as of the date of this letter, Braintech agrees to deliver Third Party Software, including the MIL License, MIL Key, and calibration template, within ten (10) business days, after ABB notifies Braintech that it has pulled a Braintech Software License Key from the ABB inventory and sold the associated TrueView function package to an end-user, or ABB channel partner customer. For quantities greater than ten (10) units, the time shall be extended to thirty (30) calendar days.
- b. ABB understands that upgrades, updates, improvements and exchanges of the Braintech Software Licenses will apply only to ABB's then-remaining inventory of Braintech Software.

5. Escrow of Executables and Source Code

- a. Braintech will place in Escrow on or before March 31, 2009, at a mutually agreeable Escrow Agent, the executables, source code and documentation for the Braintech Software.
- b. ABB shall have the right to visit the facilities of Braintech prior to the placement of the Software into Escrow so that ABB and Braintech can (i) verify the Escrow; (ii) place the Escrow in suitable packaging for shipment by a recognized courier service such as Federal Express to the Escrow Agent; and (iii) give possession of the same to the courier service. To that end Braintech shall notify ABB in writing of the expected date of such first delivery no less than ten (10) business days before such expected date and in response thereto ABB shall notify Braintech in writing of the date ABB will visit the facilities of Braintech for the purposes set forth above.

6. Payment of ABB Purchase Order

- a. In return for the Braintech deliverables identified above, ABB will deliver payment by wire transfer in immediately available funds to Braintech, Inc. to the account designated by Braintech in an email to Steve West on February 25, 2009, in the amount of US\$1,250,000.00 on March 2, 2009, representing the final amount due Braintech under the Contract.

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February 24, 2009

Please indicate your agreement with the above terms by having an authorized representative of Braintech sign in the space below and return one copy to me at the address below.


Sincerely,

Steve West
ABB Inc.
1250 Brown Road
Auburn Hills, MI 48326

Jim Dara
February 24, 2009

AGREED TO AND ACKNOWLEDGED BY:

BRAINTECH, INC.

By: 
Thomas E. McCabe
Executive Vice President

2-27-2009
Date